

THE FOREIGN SERVICEDET of ... copies, Stries OF THE UNITED STATES OF AMERICA

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United States Embassy, Ottawa, Untario, June 30, 1961.

Dear Foy:

I know how much Berlin is on your mind. I have one or two thoughts on the subject arising from recent reflection, which I pass on for what they may be worth.

The situation is clearly moving to a collision. President has rightly and forthrightly stated our position. whatever cost we must of course make good on our pleage. self interest as well as honor so dictate. As Selwyn Lloyd said in April 1959 at the NATO meeting in "ashington, "If "est Derlin goes, who goes next?". The gravely increased danger lies in the recent and repeated public statements of position which Khrushchev has made. Since backing down on the essentials cannot be considered on our part, it seems to me that a search must be made to provide some way out for Khrushchev. The following thoughts, in part stimulated by the article in the June 24 ECONOMIST, are directed toward such a search. 0

0 At the outset I should say that I recognize that one of the boundaries to any formula is what the west Berliners themselves will accept as adequate protection of their own future. Many of the elements in Gromyko's proposals at Geneva two years ago were transparently designed to take the cherry in two bites. this is one of the reasons why I discard any thought now of an W interim arrangement such as was considered then, in the absence of a clear undertaking (which on the record the Soviets have refused to give) that our legal rights and position would emerge in full force and unimpaired at the conclusion of the agreed period. We can lose West Ferlin less rapidly but just as surely if the West Berliners themselves came to believe that irreversible erosion has set in. If the West Berliners ever came to believe

Livingston = The Honorable RIL TUEFOY D. Kohler, Assistant Secretary of State for European Aff alarantment of STATE A/CDC/MR Washington 25, D. C. REVIEWED to SECRIE PATTLEAST Colacciey in part () Iten-responsive unio. FOI, LO or PA on mptions

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that it was not worthwhile for them to continue to resist and be prepared to fight then we would be left with nothing to defend. In the acute phases of the crisis over the last two-and-a-half years I used to watch bank deposits in west Berlin and the figures on capital outflow as a gauge of the inhabitants attitude.

The foregoing is one reason why I do not think under present circumstances we can or should consider any reduction in Allied garrisons as a part of any settlement. When the West Berliners saw the first troop train leave they would assume the evacuation had started. An actual increase in the garrisons might well be a necessary ingredient.

For some time I have not felt that the fact of Soviet signature of a "peace treaty" with East Germany would necessarily be disastrous to us or to our relations with the Federal Republic. We could make it a disaster by saying publicly that this would be the result. This, however, would be patently foolish since it is a transaction which we lack the power to prevent unless we are prepared to threaten Russia with war. I no not think that Allied public opinion or even governments would support such a threat on this issue.

The germ of my present thought is the following: make clear that what the Russians do contractually with the mast Germans is their business provided that our safeguarded presence in lest Berlin is unimpaired and that for our part we continue to reserve the question of where the Polish border lies for acceptance by a democratically established all-German government of the future. This would mean we would not ourselves be party to any such treaty and that we would publicly reserve our position on these points.

With the signature of the GDR-USSk "peace treaty", we would absolve the Soviet Union of any responsibility for the maintenance of our rights in Berlin provided that the bast German regime acknowledged our continuing right of presence together with the hindered movement in and out of west Berlin for allied troops and materiel, and civilian persons and goods by water, land, and air. We would enter into such an agreement or contractual arrangement in water-tight form with the GDR alone. To no so would not require de jure recognition of the regime by us and we would so state at the time. I think the Legal Adviser would agree on this and there is the practical precedent of the Korean truce negotiations with the Chinese Communists.

SECRET

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We could dress up such a basic agreement with the GJR with some advantage to ourselves (and certain face-saving appearances to the Soviets and the Last Germans) by including reciprocal undertakings on hostile propaganda directed at West Berlin or by West Berlin at Last Germany.

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our legal rights resting on military conquest. This is perfectly true. Time does erode such rights, certainly in the public mind. Hence we have to consider them a wasting asset and in any event poor stuff on which to mobilize public opinion for nuclear war. It will also be argued that such a course will in fact sanctify the line of the present Polish border and acknowledge the permanence, even legality, of the Soviet satellite empire. We can legally reserve our position and maintain it for the record as I have suggested earlier. I would argue, however, that it would be a factual recognition of a factual situation which in any event only force from within or without is going to change.

The advantages of my idea, however, I think are twofold and of equal importance. The first is that it does provide Khrushchev with a line of retreat which he now lacks and does so I believe without any damage to our moral or military position. The second advantage is that in any future efforts (which are inevitable) on the part of the East Germans to strangle or subvert West Ferlin, we would then be confronting the CDR and not the Soviet Union. Of course there is the Warsaw Pact and of course Khrushchev as well as Ulbricht want to get rid of The bone in the throat. And of course there always will be in future the calculation by the Russians as to whether or not in a particular circumstance they can afford to let a satellite down.

Nevertheless, by removing the Soviet Union in the first instance from immediate direct involvement in any future incident and from the forceful action we might then determine to take we would be, it seems to me, widening our own area of future maneuver and also building in a future escape hatch for the Soviets.

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If a negotiation along this line with the Soviets were contemplated, it would require of course the most careful preparation with our allies (particularly with the Germans, both Adenauer and Brandt). It would also quite patently require overt action on the part of the United States to gird itself both before and during the negotiation against the growing risk of war.

I do not know whether there is anything in this letter which can be of the slightest help, but as the idea developed I thought I should pass it on to you.

All the best.

Sincerely,

Livingston r. Merchant

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